

MINUTES

**MONTANA SENATE
58th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **VICE CHAIRMAN MIKE SPRAGUE**, on March 6, 2003
at 9 A.M., in Room 422 Capitol.

ROLL CALL

Members Present:

Sen. Dale Mahlum, Chairman (R)
Sen. Mike Sprague, Vice Chairman (R)
Sen. Sherm Anderson (R)
Sen. Vicki Cocchiarella (D)
Sen. Kelly Gebhardt (R)
Sen. Ken (Kim) Hansen (D)
Sen. Glenn Roush (D)
Sen. Don Ryan (D)
Sen. Carolyn Squires (D)

Members Excused: Sen. Bob Keenan (R)
Sen. Fred Thomas (R)
Sen. Sam Kitzenberg (R)

Members Absent: None

Staff Present: Sherrie Handel, Committee Secretary
Eddy McClure, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 65, 1/17/2003; HB 36, 1/17/2003;
HB 45, 1/17/2003
Executive Action: HB 65, HB 36, HB 45

{Tape: 1; Side: A}

HEARING ON HB 65

Sponsor: REP. GARY MATTHEWS, HD 4, MILES CITY

Proponents: Jim Brown, Business Standards Division, Department of Labor and Industry; Mary McCue, Montana Dental Association; Steve Yeakel, Montana Council for Maternal and Child Health; Mike Foster, representing three Sisters of Charity Hospitals; Alan Strange, Montana Primary Care Association

Opponents: None

Opening Statement by Sponsor:

REP. GARY MATTHEWS, HD 4, MILES CITY, opened by saying this bill is a way to improve dental care. He volunteered to carry this bill for the Department of Labor and Industry, because a few years ago, his son told him he wanted to be a dentist and is now a first-year dental student at the University of Pennsylvania. The University of Minneapolis offers dental graduates \$100K to stay in the state to practice dentistry. REP. MATTHEWS' bill is about attracting dentists to the state, keeping our dental hygienists and providing dental care for the indigent and uninsured people in the state of Montana. REP. MATTHEWS went over each section of the bill.

Proponents' Testimony:

Jim Brown, Business Standards Division, Department of Labor and Industry, said the Board of Dentistry offered their support for reasons outlined in his written testimony, EXHIBIT (bus47a01).

Mary McCue, Montana Dental Association, said that in Montana, we have an aging dentist population. They have a great concern that in the upcoming years, many dentists will be retiring. This bill will give the Board the latitude to set a licensure fee that would be much lower than the active licensees pay. It would also give the Board the latitude to have different continuing education requirements. Her association is in the process of amending the definition of a retired member to say it would be someone not earning income. Then a volunteer could continue to be a member and not have to pay a fee.

Steve Yeakel, Montana Council for Maternal and Child Health, expressed the desperate need for dental care throughout the population of Montana as a whole. He urged the committee to support it.

Mike Foster, representing three Sisters of Charity Hospitals, rose in strong support of the bill and discussed a very special program they have in Billings called the Ronald McDonald Care Mobile. It has been in operation for about a year. They've provided about \$178K in medical and dental services for free. Disadvantaged children are not charged for using their services. He went on to explain how the Care Mobile works. At the present time, they only have one dentist who volunteers to help them. This bill would allow them to possibly access retired dentists for further help.

Alan Strange, Montana Primary Care Association, offered strong support of the bill to help people across the state who can't afford dental care.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SEN. DON RYAN commented that this bill seems too good to be true and asked **Mr. Brown** if there is a downside. **Mr. Brown** referred the question to **Sharon McCullough, Board of Dentistry,** who said her board identified the need recently and decided to put forth the bill.

SEN. CAROLYN SQUIRES asked **Ms. McCue** the same question. She said there were several retired dentists who wanted to volunteer their time; however, they had not reactivated their licenses. The cost of continuing education and the license fee were barriers to some retired dentists.

SEN. GLENN ROUSH wanted to know where the work would be done. **Ms. McCue** said most volunteer dentists would not work inside the offices of practicing dentists, but would work in public clinics or the Care Mobile.

Closing by Sponsor:

REP. MATTHEWS addressed the liability issue raised by **SEN. ROUSH.**

{Tape: 1; Side: B}

HEARING ON HB 36

Sponsor: REP. BOB LAWSON, HD 80, WHITEFISH

Proponents: Annie Goodwin, Commissioner of Banking and Financial Institutions; Bob Pyfer, Montana Credit Union Network

Opponents: None

Opening Statement by Sponsor:

REP. BOB LAWSON, HD 80, WHITEFISH, brought before the committee for their consideration HB 36. The bill proposes two changes in the laws governing credit unions. It would authorize the Department of Administration to determine the schedule for credit union examinations and eliminate the make-up requirements for regular reserve accounts and granting the department discretion to require credit unions to establish a regular reserve account, which would repeal the definition of risk assets. REP. LAWSON continued by explaining each individual change.

Proponents' Testimony:

Annie Goodwin, Commissioner of Banking and Financial Institutions, offered written testimony, EXHIBIT (bus47a02).

Bob Pyfer, Montana Credit Union Network, offered his organization's support of HB 36. It would allow for risk examinations on par with federal regulations.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SEN. KELLY GEBHARDT asked Ms. Goodwin about line 16 and credit unions with poor examination reports. She answered how her department handles those examinations and how often they re-examine those credit unions.

SEN. VICKI COCCHIARELLA wanted to know if this bill is good for credit unions, will it be good for banks? Ms. Goodwin answered that, in terms of bank examinations and oversight, for those banks that are having problems, her examiners would be in those institutions more often looking at that certain area where there may be an issue. SEN. COCCHIARELLA asked how many examiners work in her department. The answer was 12 examiners for banks with a total of 18 for all institutions.

SEN. GLENN ROUSH inquired as to the cost to the state for these audits. **Ms. Goodwin** replied the state fees are about \$350 per day.

SEN. GEBHARDT asked **Ms. Goodwin** about the regularity of inspections. She said the work of the credit union's independent examiners is done in conjunction with state auditors. The National Credit Union Association works very closely with her agency. By federal law, they are required to examine them on a regular basis.

CHAIRMAN DALE MAHLUM discussed **Ms. Goodwin's** opening statement. When she has a review of the credit union, as with the state banks, does the state provide them with a rating? **Ms. Goodwin** explained that they use the Camel rating.

Closing by Sponsor:

REP. LAWSON asked for a DO CONCUR recommendation by the committee.

HEARING ON HB 45

Sponsor: **REP. BOB LAWSON, HD 80, WHITEFISH**

Proponents: **Annie Goodwin, Commissioner of the Division of Banking and Financial Institutions; REP. PAT WAGMAN, HD 36, LIVINGSTON; John Cadby, Montana Bankers Association**

Opponents: **None**

Opening Statement by Sponsor:

REP. BOB LAWSON, HD 80, WHITEFISH, said this bill was brought forward at the request of the Department of Administration, Division of Banking and Financial Institutions. It is an act revising laws concerning escrow businesses, requiring applicants for an escrow business license to post a bond in an amount to be set by the Department of Administration by rule. He discussed the changes to existing law found in the bill.

{Tape: 2; Side: A}

Proponents' Testimony:

Annie Goodwin, Commissioner of the Division of Banking and Financial Institutions, presented written testimony, **EXHIBIT (bus47a03)**. During her testimony, **Ms. Goodwin** shared a

letter from Cyndy R. Rigler, President of Western Home Mortgage Corporation offering her support of HB 45, **EXHIBIT (bus47a04)**.

REP. PAT WAGMAN, HD 36, LIVINGSTON, expressed his concern that in the year 2003, a citizen could put a piece of property up for sale and, after the sale of the property, show up at the title company to sign final papers expecting to receive the proceeds in the form of a check only to be told that the funds aren't available.

John Cadby, Montana Bankers Association, went on record in support of the bill.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SEN. KEN HANSEN asked **Ms. Goodwin** how her department would control the wide variety of businesses who would fall under this bill. **Ms. Goodwin** replied there is an example they are looking at under the Title Company Act that sets a graduated scale of a bonding requirement for business based upon the volume of business.

SEN. KELLY GEBHARDT observed that a schedule should be set for new business owners. He also wanted to know if **Ms. Goodwin's** division would give adequate notice. She answered that the provision her department is recommending in this bill is similar to provisions they have in other laws. When there is a late renewal or a failure to submit it, her division will contact them personally to remind them as well as set up a plan giving them time to submit the fee.

Closing by Sponsor:

REP. LAWSON asked for a do concur.

EXECUTIVE ACTION ON HB 65

Motion/Vote: **SEN. ROUSH** moved that HB 65 BE CONCURRED IN. Motion carried 10-0. The bill will be carried by **SEN. DON RYAN**.

EXECUTIVE ACTION ON HB 36

Motion/Vote: SEN. SPRAGUE moved that HB 36 BE CONCURRED IN.
Motion carried 10-0. THE BILL WILL BE CARRIED BY SEN. SHERM
ANDERSON.

EXECUTIVE ACTION ON HB 45

Motion/Vote: SEN. SPRAGUE moved that HB 45 BE CONCURRED IN.
Motion carried 10-0. THE BILL WILL BE CARRIED BY SEN. JOHN ESP.

ADJOURNMENT

Adjournment: 10:03 A.M.

SEN. DALE MAHLUM, Chairman

SHERRIE HANDEL, Secretary

DM/SH

EXHIBIT (bus47aad)